



DEPARTMENT OF COMMERCE

Bureau of Economic Analysis

Proposed Information Collection; Comment Request; Services Surveys: BE-125, Quarterly Survey of Transactions in Selected Services and Intellectual Property with Foreign Persons

AGENCY: Bureau of Economic Analysis, Department of Commerce.

ACTION: Notice.

SUMMARY: The Department of Commerce, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995.

DATES: Written comments must be submitted on or before **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: Direct all written comments to Jennifer Jessup, Departmental Paperwork Clearance Officer, Department of Commerce, Room 6616, 14th and Constitution Avenue, NW., Washington, DC 20230, or via email at *PRAcomments@doc.gov*.

FOR FURTHER INFORMATION CONTACT: Requests for additional information or copies of the information collection instrument and instructions should be directed to Christopher Stein, Chief, Services Surveys Branch BE-50 (SSB), Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20233; phone: (301) 278-9189; fax: (301) 278-9507; or via email at *christopher.stein@bea.gov*.

SUPPLEMENTARY INFORMATION:

I. Abstract

The Quarterly Survey of Transactions in Selected Services and Intellectual Property with Foreign Persons (BE-125) is a survey that collects data from U.S. persons who engage in covered transactions with foreign persons in selected services or intellectual property. A Person means any individual, branch, partnership, associated group, association, estate, trust, corporation, or other organization (whether or not organized under the laws of any State), and any government, (including a foreign government, the United States Government, a State or local government, and any agency, corporation, financial institution, or other entity or instrumentality thereof, including a government sponsored agency). A U.S. person must report if it had sales of covered services or intellectual property to foreign persons that exceeded \$6 million for the previous fiscal year, or are expected to exceed that amount during the current fiscal year, or if it had purchases of covered services or intellectual property from foreign persons that exceeded \$4 million for the previous fiscal year, or are expected to exceed that amount during the current fiscal year.

The data are needed to monitor U.S. trade in services, to analyze the impact on the U.S.

and foreign economies, to compile and improve the U.S. economic accounts, to support U.S. commercial policy on trade in services, to conduct trade promotion, and to improve the ability of U.S. businesses to identify and evaluate market opportunities. The data are used in estimating the services component of the U.S. international transactions accounts (ITAs) and national income and product accounts (NIPAs).

The Bureau of Economic Analysis (BEA) is proposing one change to the reporting requirements and several modifications to the data collected on the BE-125 survey, beginning with reporting for first quarter 2019. These modifications would allow BEA to align its statistics more closely with international economic accounting guidelines, increasing the quality and usefulness of BEA's published statistics on trade in services:

BEA proposes to adjust the reporting requirements of the survey so they are applied based on "combined" thresholds. Currently, the reporting requirements for the BE-125 survey are applied based on the dollar amount of each covered transaction type collected on the survey. For example, a reporter with transactions in several of the services and intellectual property categories covered by the survey may only exceed the threshold for mandatorily reporting additional detail by country, and by relationship to the foreign transactor (foreign affiliate, foreign parent group, or unaffiliated), for a single transaction type. Under this approach, the reporter is only required to report this additional detail on the mandatory schedule(s) for the single transaction type in excess of the \$6 million (sales) or \$4 million (purchases) threshold.

The proposed change would modify the reporting thresholds such that they are applied based on a "combined" threshold for sales or purchases of the covered types of services and intellectual property transactions. U.S. persons with combined sales in excess of \$6 million or combined purchases in excess of \$4 million would be required to disaggregate all transaction

types by country and by relationship to the foreign transactor on the mandatory schedule(s).

Because the combined thresholds are applied separately to sales and to purchases, the mandatory reporting requirements may apply only to sales, only to purchases, or to both.

BEA proposes to make the following modifications to the data collection instrument:

(1) Research and development services will be broken out into two categories: 1)

provision of customized and non-customized R&D services and 2) other R&D services, including testing.

(2) Engineering, architectural, and surveying services will be broken out into three

categories: 1) architectural services; 2) engineering services; and 3) surveying, cartography, certification, testing, and technical inspection services.

(3) Management, consulting, and public relation services will be broken out into three

categories: 1) market research services; 2) public opinion polling services; and 3) other management, consulting, and public relations services. Trade exhibition and sales convention services will be collected separately.

(4) Database and other information services will be broken out into two components: 1)

news agency services and 2) other information services.

(5) Computer services will be expanded into three categories: 1) computer software,

including end-user licenses and customization services; 2) cloud computing and data storage services; and 3) other computer services.

(6) Several service categories previously collected under “Other selected services” will

be collected separately. These services include contract manufacturing services, disbursements for sales promotion and representation, photographic services (including satellite photography), space transport services, trade exhibition and sales convention

services, agricultural services, and waste treatment and depollution services.

(7) Mandatory Schedule C will be modified to only collect information on goods related to construction services. On the current BE-125 survey, exports (sales) of three service types are collected on a separate schedule, Schedule C, to allow for reporting of information on the gross operating revenues and related goods exports and foreign expenses. The three categories are: 1) construction services; 2) engineering, architectural, and surveying services; and 3) mining services. Beginning with reporting for first quarter 2019, only construction services will be collected on Schedule C. Mining services, as well as the three new categories that will replace engineering, architectural, and surveying services, will be collected on Schedule A.

BEA estimates the proposed changes, which would be implemented beginning with reporting for first quarter 2019, will increase the average number of hours per response from 19 hours to 21 hours for those reporting data. The total respondent burden estimates have been increased to reflect this. This change represents an estimated 0.75-hour increase in burden associated with the proposed transaction code expansions set forth, as well as an increase in burden of 1.25 hours for an estimated 375 additional reporters that will now be required to complete one or more of the mandatory schedules as a result of the application of a “combined” reporting threshold. The reporting thresholds of the current BE-125 survey will be retained. The effort to keep current reporting thresholds unchanged is intended to minimize respondent burden while considering the needs of data users. Existing language in the instructions and definitions will be reviewed and adjusted as necessary to clarify survey requirements.

II. Method of Collection

BEA contacts potential respondents by mail at the end of each fiscal quarter. Respondents must file completed BE-125 forms within 45 days after the end of each fiscal quarter, or within 90 days after the close of the fiscal year. Reports are required from each U.S. person that had sales of covered services or intellectual property to foreign persons that exceeded \$6 million for the previous fiscal year, or are expected to exceed that amount during the current fiscal year, or that had purchases of covered services or intellectual property from foreign persons that exceeded \$4 million for the previous fiscal year, or are expected to exceed that amount during the current fiscal year. Entities required to report will be contacted individually by BEA. Entities not contacted by BEA have no reporting responsibilities.

BEA offers its electronic filing option, the eFile system, for use in reporting on Form BE-125. For more information about eFile, go to www.bea.gov/efile. In addition, BEA posts all its survey forms and reporting instructions on its Web site, www.bea.gov/ssb. These may be downloaded, completed, printed, and submitted via fax or mail.

III. Data

OMB Control Number: 0608-0067.

Form Number: BE-125.

Type of Review: Regular submission.

Affected Public: Business or other for-profit organizations.

Estimated Number of Responses: 8,800 annually (2,200 filed each quarter; 1,700 reporting mandatory data, and 500 that would file other responses).

Estimated Time Per Response: 21 hours is the average for those reporting data. One hour is the average for those filing an exemption claim. Hours may vary considerably among respondents because of differences in company size and complexity.

Estimated Total Annual Burden Hours: 144,800.

Estimated Total Annual Cost to Public: \$0.

Respondent's Obligation: Mandatory.

Legal Authority: International Investment and Trade in Services Survey Act (P.L. 94-472, 22 U.S.C. 3101-3108, as amended).

IV. Request for Comments

Comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the Agency, including whether the information will have practical utility; (b) the accuracy of the Agency's estimate of the burden (including hours and cost) of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology.

Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval of this information collection; they also will become a matter of public record.

Sheleen Dumas,

Departmental Lead PRA Officer,

Office of Chief Information Officer.

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